

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DON HARGROVE**, on January 10, 2001 at 10:00 A.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Don Hargrove, Chairman (R)
Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Pete Ekegren (R)
Sen. Jim Elliott (D)
Sen. Eve Franklin (D)
Sen. Ken Toole (D)

Members Excused: Sen. Fred Thomas (R)

Members Absent: None.

Staff Present: Lynette Brown, Committee Secretary
David Niss, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB114, SB89, 1/8/2001
Executive Action: SB8, SB37, SB61

HEARING ON SB 114

Sponsor: SEN. MIKE TAYLOR, SD 37, Proctor

Proponents: Dulcy Hubbert, Political Practices
Linda Vaughey, Political Practices
Matthew Leow, Montana Public Interest Research Group
Phil Hill, himself

Opponents: Charles Brooks, Yellowstone City
Ziggy Ziegler, Yellowstone County Commissioner

Opening Statement by Sponsor:

SEN. MIKE TAYLOR, SD 37, Proctor, introduced SB 114. **SEN. TAYLOR** stated that this bill is an act revising government ethics laws to promote public confidence in government. This law restricts a state officer or state legislator from becoming a lobbyist within 24 months of termination of the office, extending the restriction on a former employee contracting or being employed by an employer who contracts with the state or any of its subdivisions involving matters in which the former employee was directly involved.

EXHIBIT (sts07a01)

{Tape : 1; Side : A; Approx. Time Counter : 9}

Proponents' Testimony:

Matthew Leow, Montana Public Interest Research Group, stated that this bill would prevent impropriety. **Mr. Leow** felt this bill would help to increase public confidence. This would prevent state officials and legislators from working as a lobbyist for two years. **Mr. Leow** was concerned about state officials' and legislators' influence and power if not required to wait for this time period.

Opponents' Testimony:

Gary Fjelstad, President of the Montana Association of Counties, expressed concern that this bill would be too restrictive for elected officials; most notably in smaller counties. **Mr. Fjelstad** said this bill would limit employment opportunities for the elected officials following their time in public service.

Phil Hill, of Garfield County, representing himself, expressed that small counties are limited to the number of people available to fill employment needs.

{Tape : 1; Side : A; Approx. Time Counter : 13}

Questions from Committee Members and Responses:

Sen. KEN TOOLE commented that before coming to the legislature he worked for an organization where a small part of his duties were to lobby in the legislature. In the next session, under this ruling, would he be able to return and lobby? **SEN. TAYLOR** responded that **SEN. TOOLE** would not be able to return to lobbying in the next session under this ruling. **SEN. TOOLE** expressed

concern about people being who are part-time lobbyists where the lobbying is a small part of their responsibilities.

SEN. BOHLINGER asked if people wouldn't want to return to the job they had prior to holding office after leaving office? **Gary Fjelstad** replied that, yes he would, and **Mr. Fjelstad** feels this bill is too restrictive for employment.

{Tape : 1; Side : A; Approx. Time Counter : 27}

SEN. BOHLINGER referred to Sec. 3, line 27 where it states that a former employee may not within six months following the termination of employment contract or be employed by an employer who contracts with any state or any of its subdivisions. **SEN. BOHLINGER** clarified from **SEN. TAYLOR** this bill would be a 24 month clause as compared to the 6 month non-compete clause.

{Tape : 1; Side : B; Approx. Time Counter : 5}

SEN. HARGROVE stated this bill does two things; 1) as far as employees and contractors go, it is already an existing law and it is just extending the period, and 2) the bill talks about lobbyists.

Closing by Sponsor:

SEN. MIKE TAYLOR closed on SB114.

HEARING ON SB 89

Sponsor: **SEN. MAGNON WATERMAN, SD 26, Helena**

Proponents: **Kelly Jenkins, PERS Board**
Verner Bertelsen, Senior Citizens Association
Tom Schneider, MPEA
Stephen C. Kologi, AMRPF
Tom Bilodeau, MEA-MFT

Opponents: **None**

Opening Statement by Sponsor:

SEN. MAGNON WATERMAN stated that SB89 reduces the waiting period for the guaranteed annual benefits adjustment from three years to one year in all public employee retirement department

administered systems. The changes that will be seen throughout this bill are changes from thirty-six months to twelve months. **SEN. WATERMAN** reported the average PERS retiree receives monthly benefits of \$621 which equates to \$7,500 per year would be very difficult to make ends meet.

Proponents' Testimony:

Kelly Jenkins, General Council for the Montana Public Employee's Retirement Board reported that this bill was part of a mandate that the legislature gave to the General Council for the Montana PERS Board to review the sufficiency of benefits of retirement systems and to attempt to provide adequate benefits for public employees in their retirement. **EXHIBIT(sts07a02)** Mr. Jenkins distributed and explained exhibit #2. He explained that an immediate problem arises immediately as soon as a public employee retires under the current adjustment because of lack of immediate income. Mr. Jenkins stated that a better way to finance a retirement system is to build in any benefit increases that are needed into the structure system, pre-plan for the increases, and pre-pay for the increases. The exhibit (2) further explains the method to accomplish this increase.

Verner Bertelson, Montana Senior Citizens Association, urged acceptance of this bill.

Tom Biladeau, MEA-MFT, explained this bill applies only to the PERS fund. **EXHIBIT(sts07a03)**

{Tape : 2; Side : A; Approx. Time Counter : 5}

Steve Kaloji, Association of Montana Retired Employees, stated support for the bill. Changing from three years to one year would be beneficial, he stated.

Tom Schneider, Montana Public Employees Association, said that this is the first time the MPEA has been able to talk about doing something for retirement without increasing contribution rates. Mr. Schneider stated that the money for this bill is already available.

Opponents: None

Questions from Committee Members and Responses:

SEN. BUTCHER asked **Kelly Jenkins** what the growth rate is in the fund? **Mr. Jenkins** replied that the growth rate is approximately 8%.

Closing by Sponsor:

SEN. MAGNON WATERMAN closed on SB89. She reminded the committee members that the money should be benefitting the employees instead of sitting in the fund.

{Tape : 2; Side : A; Approx. Time Counter : 13}

EXECUTIVE ACTION ON SB8

Motion/Vote: **SEN. BOHLINGER** moved that **SB8 DO PASS**. Motion carried unanimously.

{Tape : 2; Side : A; Approx. Time Counter : 23}

EXECUTIVE ACTION ON SB 37

David Niss, Legislative Services,*{Tape : 2; Side : B; Approx. Time Counter : 18}* explained the sponsor's amendment **071511SC.sjo** applies to a group of people who were facing a RIF; the sponsor's amendment would make the 960 hours apply to those employees who took retirement who were facing that reduction in force. The amendment applies to a limited number of people. The current law limits those people who retired under the RIF opportunity to 600 hours and the sponsor's amendment would include that small number of employees in the 960 hour limit.

Motion/Vote: **SEN. FRANKLIN** moved **AMENDMENT SB003701.agp**. **EXHIBIT**(sts07a04) Motion carried 7-1 with Butcher voting no.

Motion/Vote: **SEN. BOHLINGER** moved that **SB 37 DO PASS AS AMENDED**. Motion carried 5-3 with Butcher, Elliott, and Franklin, voting no.

EXECUTIVE ACTION ON SB 61

Motion/Vote: **SEN. BOHLINGER** **MOVED AMENDMENT SB006101.adn**. **EXHIBIT**(sts07a05) Motion carried unanimously.

Motion/Vote: **SEN. FRANKLIN** moved that **SB 61 DO PASS AS AMENDED**. Motion carried unanimously.

{Tape : 3; Side : A; Approx. Time Counter : 0}

The committee members discussed a policy for absentee votes.

Motion/Vote: SEN. ELLIOTT MOVED THAT MEMBERS OF THE COMMITTEE MUST VOTE ON A BILL WITHIN 24 HOURS AFTER EXECUTIVE ACTION HAS TAKEN PLACE. Motion carried unanimously.

{Tape : 3; Side : A; Approx. Time Counter : 17}

Motion/Vote: SEN. HARGROVE MOVED TO ACCEPT WRITTEN PROXIES. Motion carried unanimously.

Motion/Vote: SEN. BUTCHER MOVED THAT ALL AMMENDMENTS BE MOVED DURING THE TIME OF EXECUTIVE ACTION. Motion carried unanimously.

ADJOURNMENT

Adjournment: 12:00 P.M.

SEN. DON HARGROVE, Chairman

LYNETTE BROWN, Secretary

DH/LB

EXHIBIT (sts07aad)